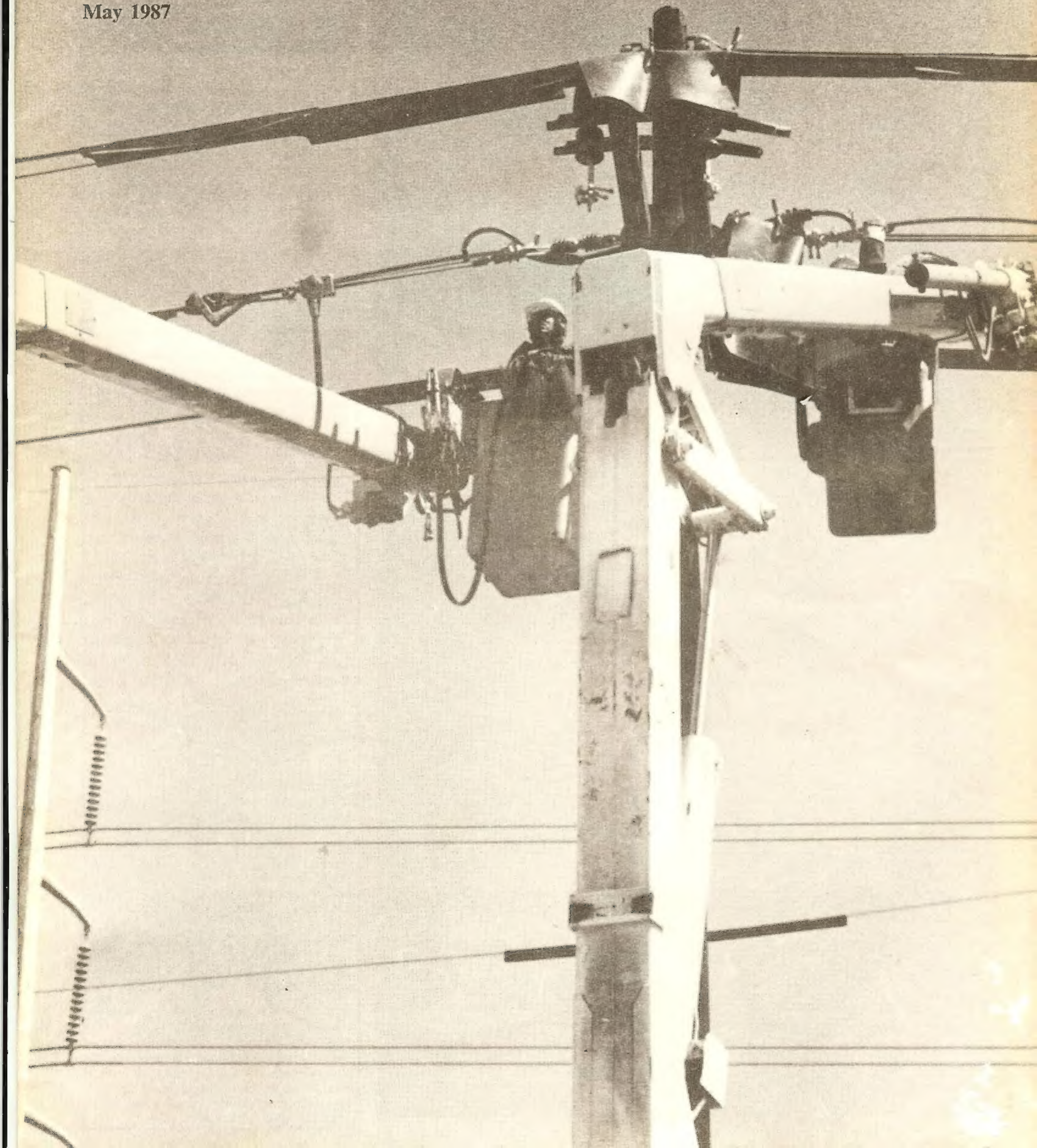


PLAIN TALKS

May 1987



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THE COVER

Gene "Spike" Worthey is etched against the spring sky as he works on a Line Department job in Baton Rouge.

A 7½-year veteran of Gulf States, Worthey is a lineman-1st class.

The cover photograph and the photo feature on page 9 were shot by Susan Gilley of Employee Communications.

PLAIN TALKS

May 1987

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Employees who change residences or offices should fill out company mailing-address-forms (GSU0012-00-81) and return them to the mailroom in the Edison Plaza. GSU publications, departmental mailings and other company information are not automatically forwarded; addresses must be corrected when employees move.

Mending the meters

by Robert Adams

The air smells of a mixture of french fries, hamburgers and car exhaust. Nearby a man worries a shovel in a hole which periodically spurts out a stream of water. Unperturbed, Mark Jackson, meterman-1st class, methodically calibrates the electric meter installed on the side of one of Conroe's newest fast food restaurants.

Calibrating, testing, repairing and maintaining electric meters is the meter department's responsibility, according to Roy Haarmeyer, meter supervisor for the Western Division.

"Metering must be exact," he says and adds that about 90 percent of the department's work is in the field, typical for all of the divisions.

GSU periodically tests all of its meters. A meter with a greater load is tested more often than one with a smaller load, like one used by a residential customer.

GSU uses several types of meters. For customers with greater load, GSU uses magnetic tape meters, also called pulse meters. They are very accurate and provide specific information useful to the company. Since the



Mark Jackson records measurements taken on a newly installed meter.



Hardy Stabler, meterman-1st class, times a residential meter's rotation to check its accuracy.

meters record customers' usages for an entire month, the meter department changes the tapes monthly, and conducts mid-point inspections to assure accurate recordings.

But even the smallest user's meter gets checked for accuracy. To meet regulatory and company requirements, the meter department uses a sample test method to test this type of meter. Using a list chosen at random by a computer, the meter department checks a certain number of these meters each month.

Haarmeyer says that his department tests about 4,000 meters each year through the various testing programs. Using sensitive devices calibrated by the meter department, the meterman checks the rotation of the disc of the tested meter. He records any variations and corrects readings that are out of specification. "He also checks for correct voltage, loose connections or an overload problem, assuring that there's a proper installation," adds Haarmeyer.

Haarmeyer says that the department receives more high

bill complaints as rates rise.

"We usually find very few inaccuracy problems with the meter," he says, "and most of the things that can happen to a meter to cause inaccuracies will result in the meter registering less than actual consumption, such as worn or broken parts or dirt."

Usually, the cause of a high bill turns out to be a problem with the customer's equipment. One high bill investigation revealed a grounded element in a customer's water heater. Another customer's air conditioner and heater were running simultaneously, which caused his high bill.

Haarmeyer says that when a meterman finds a bad meter, he frequently repairs it at the customer's location using parts carried on the truck. Then he tests it again to be sure it is accurate.

Haarmeyer stresses accuracy. "There's no room for error," he says. "We're dealing with company revenue and customer money."

The Oil and Gas Museum in Jennings is a tribute to the importance of the oil industry to the economy of the city. GSU's economic development program is helping to bring diversification to the area.



Recruiting SESCO for Jennings

by Mike Rodgers

"This is one of our success stories," says John Bordelon, administrator-economic development, "because it means revenue for Gulf States, saving the company money and a boon to the local economy all at once." Bordelon was speaking about the plans of the San Angelo Electric Service Co. (SESCO) to locate a new distribution transformer repair plant in Jennings. Gulf States played a primary role in SESCO's decision to locate in the service area.

The trail that brought SESCO here began when Jim Johnson, manager-materials management, was searching for a company which would expand into this area to do repairs on distribution transformers. Johnson found that Gulf States could save money by having the transformers repaired and then buying them back, rather than scrapping them and purchasing new ones. Over the last six years, GSU shipped away over 25,000 distribution transformers for repairs or scrapping and bought back 12,800, for a savings of \$4.8 million.

"We need a firm in our service area to cut down on the time it takes to send out a transformer, get it repaired and have it shipped back. We can also better monitor the quality of

repairs," says Johnson. When GSU approached SESCO, company officials took a long look at the situation before making a decision. The Marketing Department did a site search and identified about 12 buildings which met the firm's needs. "SESCO decided to make the move to Jennings in part because GSU offered a high volume of repairs," emphasizes Bordelon, "and also because the central location will allow it to do work with other utilities in the region which were previously beyond reach."

GSU personnel in Jennings and community officials also took an active role in recruiting SESCO. Jennings was in the process of becoming part of Louisiana's Ready City Program. "Ready City," explains Jane Dufrene, economic development agent-Lake Charles, "is a state program where cities do a study of their assets, learn how to market them to advantage and attract industry." Gulf States personnel had recently led Jennings officials through the Ready City process when SESCO stepped forward. GSU acted as a catalyst in bringing the prospective business and coordinated the location decision with the real estate entities and local community leadership. The city benefits through the creation of from 15 to 25 new jobs initially. As the plant attracts more

business, it will very likely be a source of additional jobs.

Bordelon is especially pleased because the story of SESCO is an example of what GSU's economic development program is all about. "We're concentrating on small businesses now since they are the ones doing expansion and relocation." He points out that decision-making is a quicker process with a small business than with a large industry and the determination to move or not move is usually made without lengthy delays. Businesses such as SESCO and Unidynamics, a defense contractor which moved to Conroe, help to diversify and rebuild the economic base away from heavy dependence on the petrochemical industry.

In spite of the depressed economy, there are aspects that make businesses take a close look at the area. Among them are year-round working conditions, an available workforce, year-round recreation and the quality of life. "We are beginning to see more success in our efforts. Not only are firms around the United States interested in the Gulf States service area, but we're seeing businesses in other parts of Texas and Louisiana such as SESCO giving us consideration," he concludes.

In search of business

by Mike Rodgers

"GSU is working very hard to encourage new businesses such as SESCO (see preceding page) to consider Southeast Texas and Southwest Louisiana. The Data Center in Edison Plaza is central to that effort," says Tom Clark, economic development research analyst.

The first step in finding businesses is prospect development. "That means we utilize studies by the John Gray Institute and other consulting firms of the types of companies that could show improved profits by moving here and taking advantage of what we have to offer," explains Clark. As an example, he notes that the GSU service area is central to the South and right on the Gulf of Mexico, a situation that might save a company shipping costs.

Once those prospective businesses are identified, they are contacted through direct mail, by telephone or referrals. If they respond with interest, the extensive data collection facilities of the center are offered free of charge. Center personnel can, upon request, supply information on a given community, its population, buildings, sites, location, access to transportation, available labor, financing and more. Other specific information on these communities is supplemented with whatever details a business needs to properly weigh the advantages of either a move or an expansion. This material is gathered, put in business proposal form and sent to them. When the prospective industry has reached the point of making a final decision, economic development personnel may plan a visit to the corporate head-

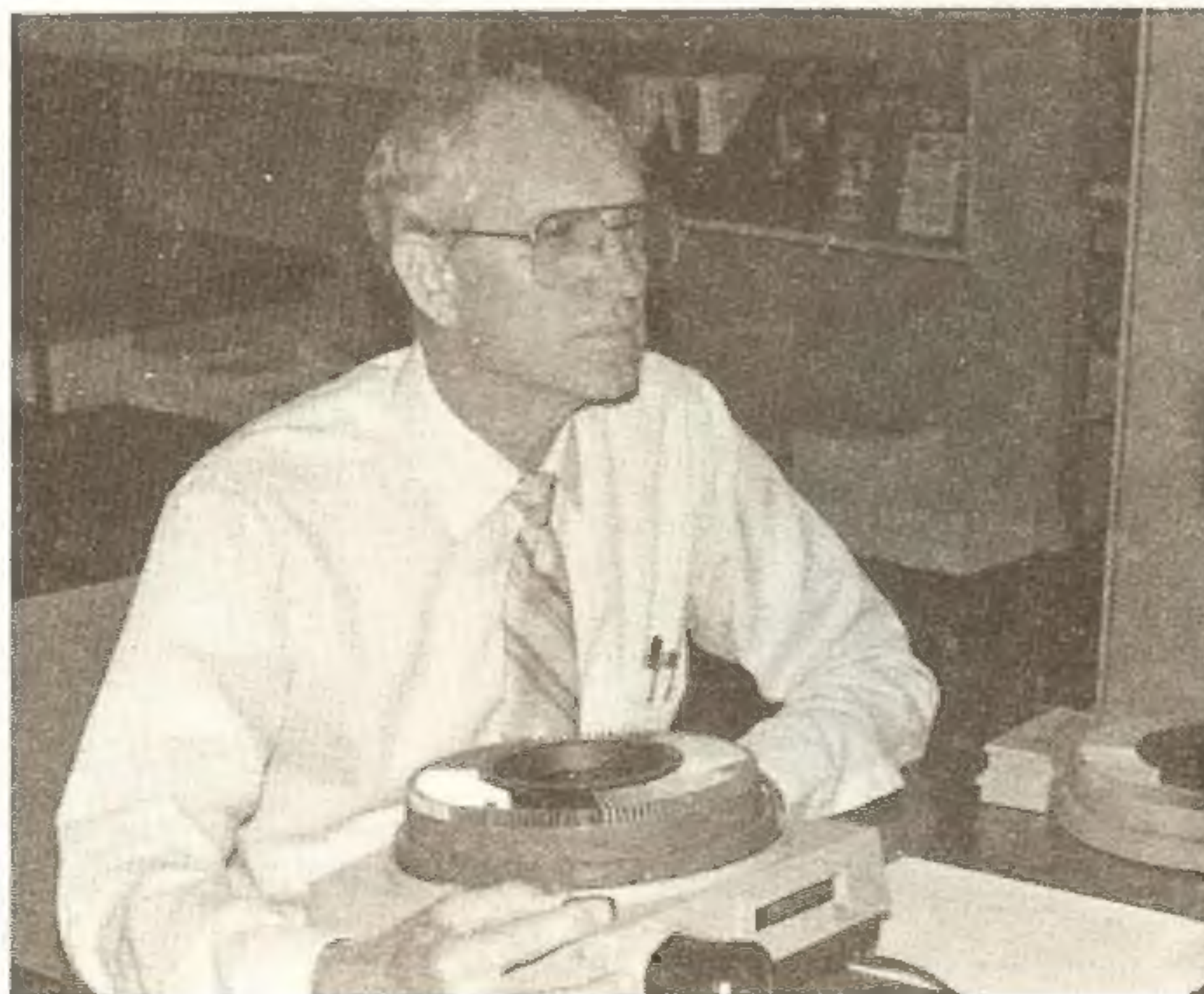
quarters to help work out final details.

The economic downturn has played an ironic role in assisting GSU's development efforts. While it forced some service area businesses to lay off employees, those layoffs provide a ready pool of labor for companies pondering a move to the region. In addition, closed businesses left a supply of vacant buildings for prospects to consider. "That's where our CABS program comes into play," says John Tarver, economic development agent. CABS is an acronym for Computer Analysis of Buildings and Sites. Division personnel surveyed every available building in the service area and continue to evaluate these properties on a quarterly basis. Complete records on over 700 buildings, sites and industrial parks include such details as square footage, access to major roads and highways, parking and so forth.

Data Center personnel are collecting color slides of all the buildings to use in a Site Selection Center which is currently

under development. Using the CABS computer program, maps, pictures and more information on buildings and sites will be available.

Most of the inquiries the Data Center receives are coming from the Northeast, California, Texas and Florida. "Consequently, these are the areas we are targeting," says Clark. Firms in these states are looking for cities where they will find a receptive business and community environment and where they can control overhead costs. GSU is not alone in recruiting new business. According to Clark, the competition is intense. There are over 2,000 economic development organizations throughout the United States actively engaged in business development. If Gulf States can get there first with the most thorough information, he believes we will draw our share of new business. In 1986, 20 manufacturing companies either relocated or expanded into GSU's service area, bringing 3,657 new jobs and nearly \$2.9 million in additional annual revenue.



Tom Clark focuses a projector loaded with slides of some of the buildings and sites available in the GSU service area.

Better products, lower cost

by Mike Rodgers

Most of us, before we buy a new car, stereo equipment or make any other major purchase, will do some comparison shopping to get the most for our money. "It's the same with Gulf States," says Roy Dauzat, manager-purchasing, "except that before we buy many of the products we need to operate, we take bids from interested suppliers who want our business." Competitive bidding is one of the ways GSU is able to cut costs.

When the company needs a product or service, vendors are approached to see if they are interested. Then, depending on the size of the job or order, anywhere from 3 to 30 firms receive details and are invited to

submit bids. The firm which submits the most attractive offer and meets the detailed specifications, wins the contract. Saving money is the big advantage to competitive bidding and Dauzat notes that every dollar GSU saves is worth several dollars in sales of electricity. The company prefers dealing with service-area businesses, and Dauzat adds that GSU is important to the local economy. "In 1986, Gulf States committed \$30 million to businesses in the Texas divisions and \$23 million to businesses in Louisiana divisions. We also pay taxes on the items and services we buy." Firms suffering from the economic downturn in the region are eager to list GSU as a client, a factor that works to the company's advantage.

Purchasing agents are quick to note that cheaper isn't always better. When a bid is received, the total package is evaluated for such criteria as quality of materials, service and speed of delivery. Sometimes it is best to pay more for a better product that will last longer. Agents can often find replacement parts from alternate suppliers which are less expensive but just as good as those supplied by the original manufacturer.

Following the specifications of a requested product is very important for a purchasing agent. Power poles are a high-cost item which the company buys from several different suppliers. Specifications are very detailed for such things as class of pole, length, circumference, shape of the ends, and percentage of creosote soaked in for a stated amount of time. The purchasing agent must make certain that the bids received address each of these specifications before the contract can be awarded.

Wesley Simpson, senior purchasing agent, points to the money saved by reducing storeroom stock in GSU divisions. "We've helped cut the dollar value from \$16 million to \$6 million over five years by asking the suppliers to stock items for us in their warehouses. Since we don't pay for the goods until they are delivered, the savings are significant."

GSU seeks bids on goods ranging from soap and paper towels to poles, transformers and vehicles. Rose Holstead, senior purchasing agent, recalls saving money on a large order of hand calculators. "One department requested 100 calculators at \$6.41 each. We thought that was a good price until we investigated and found another calculator with the same functions for \$4.73.



Sunni Landry, storeroom assistant, Beaumont, uses a forklift to restock shelves at the Beaumont Service Center. Reducing storeroom stock saves GSU money.

That amounted to a 23 percent savings. And, the order was placed locally."

Services, in addition to products, are also put up for bid when appropriate. Jerry Steger, senior purchasing agent, remembers when the contract for elevator maintenance at a power plant expired. "We invited several qualified contractors, including the incumbent, to bid on the job. They all sat around the table listening to us give the details. When the bids were received, the lowest came from the incumbent. His new bid was \$100 less per month than his previous bid and he offered expanded service." The contract was awarded to him again.

In 1986, the Purchasing Department set a goal of bidding 60 percent of GSU purchases competitively, a goal that was exceeded. Dauzat sums up the advantages of competitive bidding this way. "It's very obvious to us that competition forces prices down and many times helps the company get a better product at a lower cost."



Roy Dauzat talks with Arthur Smith, car pool foreman, Beaumont, about one of the company cars purchased through competitive bidding.



Power poles are bought from companies which compete for GSU business. Wesley Simpson checks a stack of poles in storage awaiting use.



Rose Holstead uses one of the calculators she ordered after comparing price and quality.



Jerry Steger (left) examines security guard records, a contracted service, with J. W. Hemby, buildings and grounds maintenance superintendent, Edison Plaza.

Asking questions, saving money

by Mike Rodgers

A purchasing agent needs patience, communication skills, a sharp mind and a telephone," says Kevin LeBlanc, purchasing agent. Seated at his desk in Edison Plaza, LeBlanc is a flurry of activity, talking with vendors on the phone and wading through the paperwork which is a necessary part of buying the products and services which keep GSU in operation to serve customers.

LeBlanc came to Gulf States six years ago after completing a marketing degree at Lamar University in Beaumont. He places orders for systemwide T&D materials such as transformers, wire, cable and supplies for central storerooms. Like other purchasing agents, he requests bids, evaluates them and makes recommendations on the

awarding of contracts. LeBlanc is a certified purchasing manager (CPM), a professional recognition similar to a CPA. Attaining the honor meant passing four very difficult comprehensive exams. He was one of relatively few persons to pass all four the first time.

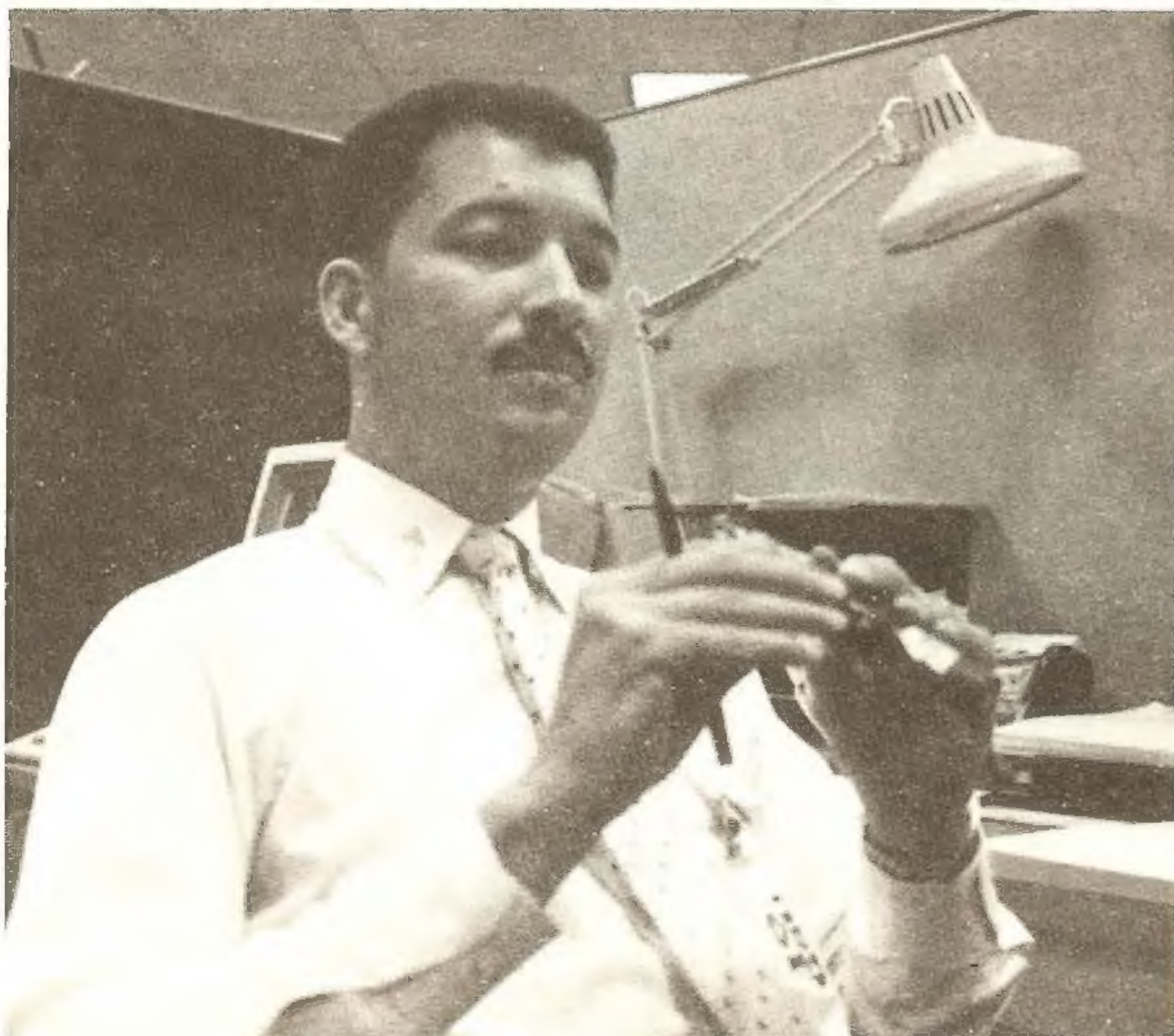
LeBlanc acknowledges that purchasing agents are often thought of as paper-pushers. "We do handle a lot of paper, but that's because everything we do must be carefully documented. We are audited often, both internally and externally, so record-keeping is important." He views himself as a problem-solver as well. "People with shipping or invoicing problems call us for assistance. We become both a source of information and a middleman between GSU personnel and vendors."

The best part of his job,

LeBlanc maintains, is getting to know a lot of people inside and outside GSU. He tries to treat GSU people the same way he likes to be treated by suppliers. After years of dealing with many of the same vendors, he knows when to be serious and when he can take a more lighthearted approach. There is stress in his work but, LeBlanc says, he never has difficulty leaving the stress at the office.

Purchasing agents ask a lot of questions and go into much detail whenever a department requests a product. "That's because we have to know precisely what they need," he explains, "so we can get what they are looking for." Often that search leads to an alternative that costs less money. Some people are very committed to a given brand name and recommending another product makes them uneasy. But if that alternative works, Gulf States can take the money saved and use it elsewhere.

Determination and a sense of humor are other qualities that make a purchasing agent successful. LeBlanc recalls the time he spent two days attempting to locate a vendor. "When I finally reached him on the phone I kidded him about spending two days on the golf course. The man was flabbergasted at what I said. That's exactly what he had been doing."



Kevin LeBlanc holds a piece of the 15kv cable that he orders for use in many subdivisions around the GSU system.



On the job with the Line Department

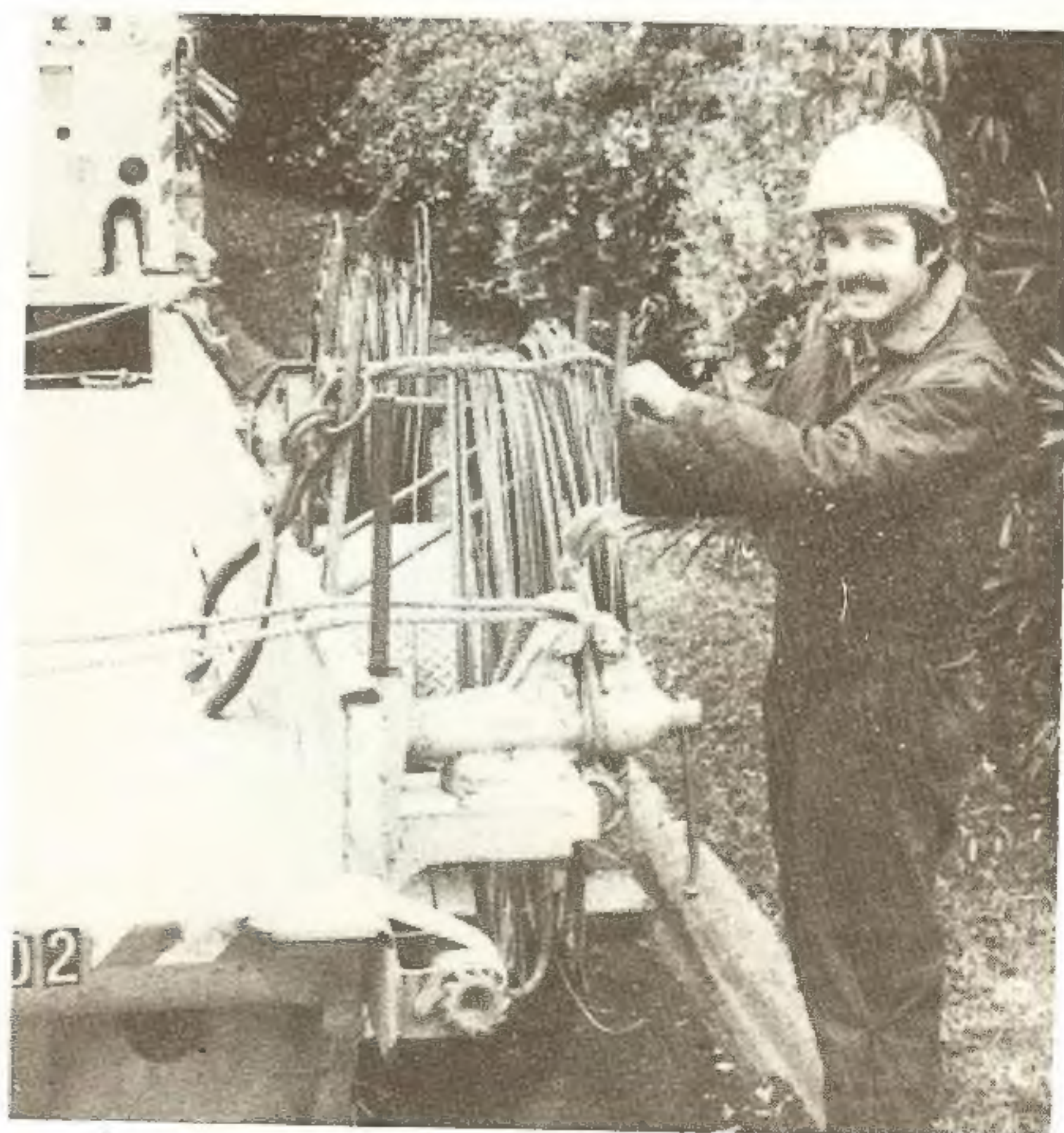
Photos by Susan Gilley

When high winds or heavy rains or other bad weather strike the GSU service area, just about everybody realizes the worth of the Line Department.

But work goes on year-round, too. A recent visit with Lake Charles and Baton Rouge Line Department employees revealed the importance of more routine work, as well.

Photographs on this page capture departmental employees performing maintenance and construction tasks.

Climbing gear and the bucket are probably the most familiar Line Department symbols. Edging toward the top is Roy Jones (above left), lineman-2nd class in Baton Rouge, while James Toniette (above right), lineman-2nd class in Lake Charles, opts for a bucket ride. Greg Lanthier (at right), lineman-1st class in Lake Charles, begins unloading gear.



Safety awards presented



Dr. Linn Draper presents the President's Safety Award for power plants to Lewis Creek Station for the second year in a row. From left, Terry Morris, repairman 1st class; D. W. Rutherford, master test technician; Draper; Joe Alexander, electrician 1st class; and Charles Gomez, equipment operator.



Dr. Draper presents the divisional President's Safety Award to Port Arthur Division. From left, Draper; Ron McKenzie, vice-president-Port Arthur Division; Wayne Barnett, safety and health representative; and R. L. Grubbs, safety and health representative.

GSUers walk for March of Dimes



From left, Mickey Wilson, Edison Plaza team captain, and Dan Bell, chairman of the Beaumont WalkAmerica, watch as Beaumont Mayor Maury Meyers proclaims April 6 the official kickoff of the March of Dimes effort in the city. The annual WalkAmerica was held the weekend of April 25, with hundreds of GSU employees participating.

Youth says thanks

Rick Hatcher
Gulf States Utilities
The Woodlands, Texas

Dear Mr. Hatcher:

I really loved the guide. It will come in handy. I'm glad you came instead of the mailman. The guide was my favorite of all. You explain better than anyone else.

Sincerely,
Kevin Bain

Editor's note: Rick Hatcher is a senior district service representative in The Woodlands. Kevin Bain called the GSU office for information on the making of electricity to use in a merit badge project for his Cub Scout troop. Hatcher dropped the information off at Kevin's house rather than sending it in the mail.

Assistance praised

Gulf States Utilities
Port Arthur, Texas

Dear Sir:

When I experienced a mixup in my bill recently, I called the Credit Collection Department. Fortunately, I reached Sheryll Gregg. She was so pleasant and knew how to straighten out my error so easily, I was glad it happened.

It's great to know there are young people so competent and personable working for your company.

Sincerely,
Vivian Titus

Editor's note: Sheryll Gregg is a clerk in the Credit and Collections Department in Port Arthur.

Information appreciated

Tom Clark
Gulf States Utilities
Beaumont, Texas

Dear Mr. Clark:

The Planning Committee of the Wildwood-Village Mills United Methodist Church greatly appreciated the information you provided concerning the potential population and growth of this area. This has been very helpful in the work of this committee.

Sincerely,
Bill Browne
Herman Hankins

Editor's note: Tom Clark is an economic development research analyst in Beaumont.

Help acknowledged

Jim Moss
Gulf States Utilities
Baton Rouge, La.

Dear Mr. Moss:

On behalf of the Louisiana Hemophilia Foundation, we would like to express our sincere appreciation for your willingness to share some of GSU's talent with us through the participation and involvement of Bob Vincent.

Bob not only serves as chapter president but was recently appointed to the Legislative and Medical Advisory Board that oversees the operation of the entire hemophilia program at the state level. He has also been instrumental in getting the Baton Rouge Jaycees involved with the foundation through several key projects, including one that recently raised over \$40,000...

We know that GSU has many people involved in charitable activities in our community...Bob

Vincent has been truly outstanding in every respect. We are looking forward to another year of his leadership and direction as we continue to grow in size and scope of services.

Sincerely,
Joseph "Butch" Passman
Executive Director
Louisiana Hemophilia Foundation

Editor's note: Jim Moss is vice president-Baton Rouge Division. Bob Vincent is a clerk in Baton Rouge.

Science students grateful

Alvin Dragg
Gulf States Utilities
Gonzales, Louisiana

Dear Mr. Dragg:

On behalf of the administration, faculty and students, I want to thank you for allowing Ms. Lydia Jones and Ms. Diane Brandon to participate as judges for our annual science fair.

This event provided an invaluable opportunity for students enrolled in science to demonstrate their skill and knowledge of science.

Once again, my sincere thanks for your help in making our science fair such a successful event.

Sincerely,
Diane Herrin
Assistant Principal
Gonzales Middle School

Editor's note: Lydia Jones is a consumer information coordinator in Baton Rouge. Diane Brandon is a consumer affairs coordinator in Baton Rouge.

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